

1      **WO**  
2  
3  
4  
5

6      **IN THE UNITED STATES DISTRICT COURT**  
7      **FOR THE DISTRICT OF ARIZONA**

8  
9      BMO Bank NA,

10      Plaintiff,

11      v.

12      A to Z Stone & Granite Incorporated, et al.,

13      Defendants.

14  
15      No. CV-25-00026-TUC-JGZ

16  
17      **ORDER**

18      Pending before the Court are Plaintiff BMO Bank N.A.'s Motions for Default  
19      Judgment against Defendants A to Z Stone & Granite, Inc., Tigran Beglaryan, and Anahit  
20      Beglaryan. (Docs. 13, 19.) Defendants have not appeared in this action or responded to the  
21      motions. For the following reasons, the Court will grant Plaintiff's Motions and direct the  
22      Clerk of Court to enter default judgment against Defendants A to Z Stone & Granite, Inc.,  
23      Tigran Beglaryan, and Anahit Beglaryan.

24      **I.      Background**

25      Plaintiff brings the immediate action alleging that Defendant A to Z Stone & Granite  
26      ("A to Z") failed to make payments required under a financing agreement. On or about  
27      October 1, 2021, Plaintiff BMO Bank N.A. ("BMO") and A to Z entered into a Master  
28      Equipment Financing Agreement (the "Agreement"), whereby Plaintiff BMO would  
29      provide funding to Defendant A to Z in the principal amount of \$97,304.38 to finance the  
30      purchase of a Park Industries 5 Axis Saber Saw (Serial No. 250076) (the "Saw"). (Doc. 1-  
31      2 at 9.) Pursuant to the Agreement, A to Z was required to make regular monthly payments

1 to BMO of \$1,332.28 for 84 months, with the first payment due November 15, 2021. (*Id.*)  
2 A to Z would be in default when payment was not made to BMO within ten days of its due  
3 date. (*Id.* at 4.)

4 On or around October 1, 2021, Defendants Tigran Beglaryan (“Tigran”), President  
5 of A to Z, and Anahit Beglaryan (“Anahit”) signed a Continuing Guaranty for the  
6 Agreement. (Doc. 1-3 at 2.) As Guarantors, Tigran and Anahit personally guaranteed the  
7 repayment of the principal amount and fulfillment of all of A to Z’s obligations to BMO in  
8 the event that A to Z failed to comply with the Agreement. (*Id.*)

9 A to Z has not made a payment to BMO since January 15, 2024. (Doc. 13-2 at 22.)  
10 As of March 31, 2025, A to Z had made 23 payments under the Agreement, totaling  
11 \$30,642.44. (*Id.*) As of April 1, 2025, A to Z amassed an outstanding balance of \$81,269.08  
12 in overdue payments, late charges, and liquidated damages in connection with the  
13 Agreement. (*Id.* at 4.)

14 On January 21, 2025, BMO filed suit against A to Z, Tigran, and Anahit. (*See* Doc.  
15 1.) The Complaint asserts three counts: (1) breach of contract against A to Z for failing to  
16 make payments on the Saw in accordance with the Agreement; (2) breach of contract  
17 against Tigran and Anahit for failing to perform their obligations as Guarantors under the  
18 Continuing Guaranty; and (3) replevin to repossess the Saw. (*Id.* ¶¶ 12–24.) BMO is  
19 requesting monetary damages in the amount of \$81,269.08, with proceeds from the  
20 eventual sale of the Saw to be applied towards the final judgment balance. (Doc. 13-2 at  
21 4.)

22 BMO served A to Z and Tigran on January 24, 2025. (*See* Docs. 6, 8.) Default was  
23 entered against A to Z and Tigran by the Clerk of Court on March 20, 2025. (*See* Doc. 10.)  
24 BMO was initially unable to serve Anahit and obtained an order allowing for alternative  
25 service on April 2, 2025. (*See* Doc. 14.) BMO successfully served Anahit on April 30,  
26 2025. (*See* Doc. 16.) Default was entered against Anahit by the Clerk of Court on June 2,  
27 2025. (*See* Doc. 18.) Defendants have not responded or otherwise participated in this  
28 litigation. BMO seeks default judgment against all Defendants. (*See* Docs. 13, 19.)

1                   **II.     Jurisdiction**

2                   Federal courts may only adjudicate cases over which they have subject-matter  
 3 jurisdiction—basically, those cases involving a federal question or diversity of citizenship.  
 4 *See Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994); *see also* 28  
 5 U.S.C. § 1331. A party seeking to invoke the federal court’s diversity jurisdiction, as here,  
 6 bears the burden of both affirmatively pleading and proving diversity jurisdiction. *NewGen,*  
 7 *LLC v. Safe Cig, LLC*, 840 F.3d 606, 613–14 (9th Cir. 2016). The essential elements of  
 8 diversity jurisdiction are: (1) the matter in controversy exceeds the sum or value of  
 9 \$75,000, exclusive of interest and costs, and (2) diverse residence of all adverse parties.  
 10 *See* 28 U.S.C. § 1332; *see also* *Bautista v. Pan Am. World Airlines, Inc.*, 828 F.2d 546, 552  
 11 (9th Cir. 1987).

12                  Here, Plaintiff has established diversity jurisdiction. Plaintiff BMO and Defendants  
 13 are not domiciled in the same state and, therefore, diverse citizenship exists between the  
 14 adverse parties. BMO is a national bank association with its main office and principal place  
 15 of business in Chicago, Illinois. (Doc. 1 at 1.) Defendant A to Z is a registered corporation  
 16 in Arizona, with a principal place of business located in Arizona. (*Id.*) Defendants Tigran  
 17 and Anahit are both Arizona citizens, domiciled in and residents of Tucson, Arizona. (*Id.*  
 18 at 1–2.) The amount in controversy is greater than \$75,000; BMO affirmatively pled that  
 19 it sustained damages of \$81,269.08 due to Defendants’ breach of contract and has provided  
 20 evidence of such. (*Id.* at 2–3.)

21                   **III.    Legal Standard**

22                  “When a party against whom a judgment for affirmative relief is sought has failed  
 23 to plead or otherwise defend, and that failure is shown by affidavit or otherwise, the clerk  
 24 must enter the party’s default.” Fed. R. Civ. P. 55(a). After the Clerk of Court enters  
 25 default, the party must apply to the court for a default judgment. Fed. R. Civ. P. 55(b).  
 26 However, “[a] defendant’s default does not automatically entitle the plaintiff to a court-  
 27 ordered judgment,” as granting or denying relief is entirely within the court’s discretion.  
 28 *PepsiCo, Inc. v. Cal. Sec. Cans*, 238 F. Supp. 2d 1172, 1174 (C.D. Cal. 2002) (citing

1 *Draper v. Coombs*, 792 F.2d 915, 924–25 (9th Cir. 1986)); *see also Aldabe v. Aldabe*, 616  
 2 F.2d 1089, 1092 (9th Cir. 1980). When deciding whether to grant default judgment, courts  
 3 within the Ninth Circuit consider seven factors (collectively, “the *Eitel* factors”): (1) the  
 4 possibility of prejudice to the plaintiff; (2) the merits of plaintiff’s substantive claims; (3)  
 5 the sufficiency of the complaint; (4) the sum of money at stake in the action; (5) the  
 6 possibility of a dispute concerning the material facts; (6) whether defendant’s default was  
 7 due to excusable neglect; and (7) the strong policy underlying the Federal Rules of Civil  
 8 Procedure favoring decisions on the merits. *See Eitel v. McCool*, 782 F.2d 1470, 1471–72  
 9 (9th Cir. 1986).

10 Upon entry of default by the Clerk of Court, the well-pleaded allegations in the  
 11 complaint regarding a defendant’s liability are to be taken as true, but allegations  
 12 concerning the amount of damages are not. *Cal. Sec. Cans*, 238 F. Supp. 2d at 1175; *see*  
 13 *also TeleVideo Sys., Inc. v. Heidenthal*, 826 F.2d 915, 917–18 (9th Cir. 1987). A plaintiff  
 14 must provide proof of all damages sought in the complaint. *Cal. Sec. Cans*, 238 F. Supp.  
 15 2d at 1175. “A default judgment must not differ in kind from, or exceed in amount, what  
 16 is demanded in the pleadings.” Fed. R. Civ. P. 54(c).

17 **IV. The *Eitel* factors favor entry of default judgment against Defendants**

18 **A. First Eitel Factor—Possibility of Prejudice to Plaintiff**

19 The first *Eitel* factor weighs in favor of granting default judgment. BMO provided  
 20 financing to A to Z for an equipment purchase, which A to Z agreed to repay by signing  
 21 the Agreement; Tigran and Anahit agreed to guarantee that A to Z made those payments  
 22 by signing on as Guarantors. (*See* Docs. 1, 13, 19.) Defendants failed to make all monthly  
 23 payments required by the Agreement and Continuing Guaranty, amassing an outstanding  
 24 balance of \$81,269.08 as of April 1, 2025. (Doc. 13 at 4.) BMO attempted to resolve the  
 25 matter without judicial involvement by sending invoices to Defendants, (*id.* at 22), and  
 26 informing Defendants of its intention to exercise repossession of the Saw pursuant to the  
 27 terms of the Agreement, (Doc. 1 at 4). Defendants’ failure to remit payment or allow BMO  
 28 access to the Saw, along with Defendants’ failure to respond to the Complaint or participate

1 in this litigation, makes it unlikely BMO would recover absent default judgment. Plaintiff  
 2 BMO would suffer prejudice if its motions for default judgment were denied because it  
 3 would be without recourse or recovery. *See Cal. Sec. Cans*, 238 F. Supp. 2d at 1177.

4       B. Second and Third *Eitel* Factors—Merits of the Substantive Claim and  
Sufficiency of the Complaint

5       The second and third *Eitel* factors are often analyzed together and weigh whether a  
 6 plaintiff has sufficiently “state[d] a claim on which the [plaintiff] may recover.” *Danning*  
 7 *v. Lavine*, 572 F.2d 1386, 1388 (9th Cir. 1978); *see also Cal. Sec. Cans*, 238 F. Supp. 2d  
 8 at 1175. The Court must review Plaintiff’s claims considering the applicable governing  
 9 law, taking as true all factual allegations in the Complaint. *TeleVideo Sys., Inc.*, 826 F.2d  
 10 at 917–18; *see also Geddes v. United Fin. Grp.*, 559 F.2d 557, 560 (9th Cir. 1977) (“The  
 11 general rule of law is that upon default the factual allegations of the complaint, except those  
 12 relating to the amount of damages, will be taken as true.”). The second and third *Eitel*  
 13 factors weigh in favor of granting default judgment.

14       BMO asserts two claims of breach of contract against the Defendants for violating  
 15 the terms of the Agreement and the Continuing Guaranty (Count I and Count II), and one  
 16 claim of replevin for repossession of the Saw (Count III). (Doc. 1 at 3–4.) BMO has  
 17 sufficiently pled its two claims for breach of contract,<sup>1</sup> including the existence of the  
 18 contracts, BMO’s performance, Defendants’ breach, and the resulting damages. (*See* Docs.  
 19 1-2, 1-3.) It is clear from the Agreement that BMO would provide financing to A to Z for  
 20 the purchase of the Saw, that A to Z agreed to repay that amount in regular monthly  
 21 installments, and that A to Z’s failure to remit payments within ten days of the due dates  
 22 would constitute a default. (*See* Doc. 1-2.) The Complaint alleges A to Z breached the  
 23 terms of the Agreement when it defaulted and failed to make minimum monthly payments,  
 24 and Defendants Tigran and Anahit breached the Continuing Guaranty when they failed to  
 25 repay all amounts due under the Agreement as required in the event of A to Z’s default.

---

27       <sup>1</sup> The contracts specify that California law governs. Applying Arizona’s choice of law  
 28 rules, which follow the Restatement (Second) of Conflict of Laws (1971) (“Restatement”),  
 the Court determines that the parties’ choice of California law is valid, and California  
 substantive law governs the breach of contract claims. *See* Restatement §§ 187–88.

1 (Doc. 1 at 3–4.) Plaintiff’s Complaint also outlines the damages sustained in overdue  
 2 payments and late charges because of Defendants’ breach, and provides evidence that the  
 3 damages total \$81,269.08. (*Id.*)

4 Taken as true, the Court concludes the factual allegations in the Complaint also  
 5 establish that Plaintiff BMO has sufficiently stated a claim for replevin against Defendants  
 6 for their refusal to allow BMO to repossess the Saw, following Defendants’ default, as  
 7 outlined in the Agreement. (*Id.* at 4.) Replevin is an available remedy because it is provided  
 8 for under Arizona law. *See Fed. R. Civ. P. 64* (“[E]very remedy is available that, under the  
 9 law of the state where the court is located, provides for seizing a person or property to  
 10 secure satisfaction of the potential judgment.”). Arizona laws specific to replevin (Ariz.  
 11 Rev. Stats. §§ 12-1301–12-1314) require the filing of an affidavit containing specific  
 12 information (Ariz. Rev. Stat. § 12-1301) and posting a bond equal to double the amount of  
 13 the property (Ariz. Rev. Stat. § 12-1303). To claim possession of specific personal  
 14 property, a plaintiff must provide proof showing: (1) the plaintiff is the owner of the  
 15 property claimed or is lawfully entitled to its possession; (2) the property is wrongfully  
 16 detained by the defendant; and (3) the actual value of the property. Ariz. Rev. Stat. § 12-  
 17 1301.

18 Plaintiff BMO’s motion and supporting affidavit satisfy the requirements for  
 19 obtaining the remedy of replevin under Arizona law. (Docs. 1 at 2–4; 13-2.) BMO’s  
 20 Complaint and Motion contain sufficient detail regarding the Saw and its value, (Doc. 1 at  
 21 2–4), BMO’s claim to lawful possession of the Saw, (Docs. 1 at 4; 1-2 at 5), and  
 22 Defendants’ wrongful withholding of the Saw following their default under the Agreement  
 23 (Doc. 1 at 4). Additionally, BMO alleges that it has attempted to repossess the Saw or  
 24 sought return of the Saw to no avail. (*Id.*)

25 **C. Fourth Eitel Factor—Sum at Stake**

26 Under the fourth factor, this Court “must consider the amount of money at stake in  
 27 relation to the seriousness of [Defendants’] conduct.” *Philip Morris USA, Inc. v. Castworld*  
 28 *Prods., Inc.*, 219 F.R.D. 494, 500 (C.D. Cal. 2003) (citing *Cal. Sec. Cans*, 238 F. Supp. 2d

1 at 1176) (internal quotations omitted); *see also Eitel*, 782 F.2d at 1471–72. Here the  
 2 relationship is proportional. Plaintiff BMO loaned Defendant A to Z \$97,304.38 for the  
 3 purchase of the Saw. Defendants defaulted on contractual agreements with BMO and failed  
 4 to make regular payments for the Saw or to return the Saw. (Doc. 1 at 3–4.) The amount of  
 5 money that remains unpaid in this action is substantial, totaling \$81,269.08. (Doc. 13-2 at  
 6 22.) BMO requests \$81,269.08 in damages for the outstanding payments, as well as the  
 7 return of the Saw, with proceeds from its sale to be applied towards the final judgment  
 8 amount. (Doc. 13-2 at 4.) BMO’s request for damages is grounded in its contracts with the  
 9 Defendants and is directly tailored to the Defendants’ misconduct. The requested damages  
 10 are not unreasonable, and therefore, this factor weighs in favor of entry of judgment.

11       D. Fifth, Sixth, and Seventh *Eitel* Factors—Possibility of Dispute Concerning  
 12 Material Facts, Excusable Neglect, and Strong Policy Favoring Decisions on the  
Merits

13       “In cases...in which Defendants have not participated in the litigation at all,  
 14 the...fifth, sixth, and seventh [*Eitel*] factors are easily addressed.” *Zekelman Indus. Inc. v.*  
*Marker*, No. CV-19-02109-PHX-DWL, 2020 WL 1495210, at \*3 (D. Ariz. Mar. 27, 2020).  
 15 The fifth *Eitel* factor considers the possibility of a dispute concerning the material facts.  
 16 *See Eitel*, 782 F.2d at 1471. As noted previously, on entry of default, the Court may accept  
 17 as true all well-pleaded facts in the Complaint, except those relating to damages, and any  
 18 later provided evidence in the form of affidavits or exhibits. *See Televideo Sys., Inc.*, 826  
 19 F.2d at 917–18. Plaintiff BMO’s well-pleaded Complaint alleges facts establishing its  
 20 claims. A genuine dispute regarding the material facts of the Complaint appears remote.  
 21 Thus the fifth factor weighs in favor of granting default judgment.

22       Under the sixth *Eitel* factor, the Court evaluates whether the failure to answer or  
 23 defend is due to excusable neglect. *See Eitel*, 782 F.2d at 1472. Here, there is no indication  
 24 of excusable neglect in Defendants’ failure to participate in this litigation. All Defendants  
 25 were served—with Anahit apparently avoiding service. (Doc. 14 at 1–2.) Thus, the sixth  
 26 *Eitel* factor favors granting default judgment.

27       The seventh *Eitel* factor—public policy favoring decisions on the merits—generally

1 weighs against default judgment, given that cases “should be decided on their merits  
 2 whenever reasonably possible.” *Eitel*, 782 F.2d at 1472. However, the existence of Rule  
 3 55(b) of the Federal Rules of Civil Procedure, which authorizes default judgments,  
 4 “indicates that this preference, standing alone, is not dispositive.” *Cal. Sec. Cans*, 238 F.  
 5 Supp. 2d at 1177. Indeed, “the default mechanism is necessary to deal with wholly  
 6 unresponsive parties who otherwise could cause the justice system to grind to a halt.  
 7 Defendants who appear to be ‘blowing off’ the complaint should expect neither sympathy  
 8 nor leniency from the court.” *Ariz. Bd. of Regents v. Doe*, 555 F. Supp. 3d 805, 816 (D.  
 9 Ariz. 2021) (quoting 2 Gensler, Federal Rules of Civil Procedure, Rules and Commentary,  
 10 Rule 55, at 123–24 (2021) (footnote omitted)). Such is the case here. Defendants have  
 11 failed to defend, making a decision on the merits impractical. Consequently, the policy  
 12 favoring decisions on the merits carries little weight here.

13 **V. Damages**

14 “A default judgment must not differ in kind from, or exceed in amount, what is  
 15 demanded in the pleadings.” Fed. R. Civ. P. 54(c). Additionally, the demand for relief must  
 16 be specific. Fed. R. Civ. P. 8(a)(3). Because the allegations in Plaintiff’s Complaint are  
 17 taken as true, a “plaintiff need only prove that the compensation sought relates to the  
 18 damages that naturally flow from the injuries pled.” *Philip Morris USA, Inc.*, 219 F.R.D.  
 19 at 498.

20 The relief Plaintiff BMO seeks is specific, does not exceed what is demanded in the  
 21 Complaint,<sup>2</sup> and flows logically from the injuries pled. BMO seeks monetary damages in  
 22 the amount of \$81,269.08, with costs and interest, and possession of the Saw, with sales  
 23 proceeds to apply towards the judgement amount. (Doc. 13-4.)

24 **VI. Conclusion**

25 Collectively, the *Eitel* factors weigh in favor of entry of default judgment against  
 26 Defendants and Plaintiff BMO has established that the requested damages are appropriate.

---

27 <sup>2</sup> Plaintiff’s Complaint sought monetary damages in the amount of \$86,065.29. (Doc. 1 at  
 28 3.) Plaintiff’s Motions for Default Judgment request a lesser amount of \$81,269.08. (Docs.  
 13-2 at 4; 19-2 at 3.) Plaintiff’s request is supported by an affidavit, (Doc. 13-2 at 2–4),  
 and Payment History for the Agreement, (*id.* at 22).

1 BMO has also shown it is entitled to the remedy of replevin. Accordingly,

2 **IT IS ORDERED** Plaintiff's Motions for Default Judgment As To Defendants A  
3 to Z Stone & Granite, Inc., Tigran Beglaryan, and Anahit Beglaryan (Docs. 13, 19) are  
4 granted.

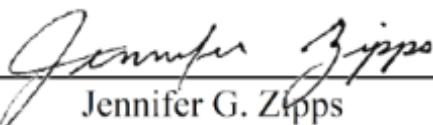
5 **IT IS FURTHER ORDERED** Plaintiff BMO Bank NA is awarded damages in the  
6 amount of \$81,269.08 against Defendants A to Z Stone & Granite, Inc., Tigran Beglaryan,  
7 and Anahit Beglaryan, jointly and severally.

8 **IT IS FURTHER ORDERED** the United States Marshals Service ("USMS") shall  
9 take possession of the Park Industries 5 Axis Saber Saw (Serial No. 250076) ("the Saw"),  
10 upon the filing by Plaintiff with the USMS a Bond of Replevin not less than twice the value  
11 of the Saw (\$163,000), and deliver over to Plaintiff BMO Bank possession of the Saw,  
12 unless within two (2) days after the taking, the USMS receives a redelivery bond properly  
13 executed by Defendants and payable to Plaintiff in an amount not less than the value of the  
14 Saw to be seized by the USMS.

15 **IT IS FURTHER ORDERED** the USMS make due return of this Order showing  
16 how and when the same was executed. Plaintiff BMO Bank shall apply proceeds from the  
17 sale of the Saw to the balance due and owing from Defendants.

18 **IT IS FURTHER ORDERED** the Clerk of Court shall enter judgment in favor of  
19 Plaintiff and close this case.

20 Dated this 17th day of July, 2025.

22   
23 Jennifer G. Zhipps  
24 Chief United States District Judge  
25  
26  
27  
28